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City's consultants affirm need for water rate hike

Increase needed to make debt payments, they say

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The Cleveland City Council's consultants have reviewed the case for a huge and controversial water-

rate increase and say it's justified.

The city's Water Department needs the higher rates to maintain adequate reserves and keep the trust of creditors, representatives of the Project Group told the council's Public Utilities Committee on Wednesday.

The consultants, including former Councilman John Zayac, said the proposed increase is a bare minimum and will fall short if water use declines more than ex-

pected. City officials say a steady decline in consumption is causing the financial crunch.

A series of increases, extending through 2015, would raise rates 82 percent for the typical Cleveland customer and about 50 percent for suburban residents. Suburban customers pay a higher rate in part because of the cost of pumping water beyond the city limits.

The rate proposal has caused grumbling among suburban may-

ors, who are upset with the Water Department's billing problems and customer service. Westlake is studying getting water from Avon.

Cleveland's Water Department serves 1.5 million customers in 70 communities in five counties.

Projections show the new rates would bring in an extra \$220 million over five years for a total of \$1.3 billion.

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A Maryland firm the city paid to conduct a rate study indicated that the Water Department would not be able to make its debt payments in 2013 without a price increase.

The council last approved water-rate hikes in 2006. Those increases carried through to last year.

The council could vote on the latest rate proposal by June 6.

Committee Chairman Kevin Kelley said that he had hoped the city could get by with lower increases but that he accepted the consultants' findings.

"This is not a position I or anyone on council wants to be in," he said in an interview. "The stability and financial health of the Division of Water will be greatly threatened if we do nothing."

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